THE LIFE OF FIBERS: TEXTILE COMPETITION THROUGH HUMAN CAPITAL BRICOLAGE (INTERACTIVE PAPER)

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INTERACTIVE PAPER

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Method

We used theoretical sampling to conduct in-depth comparative case studies (Eisenhardt, 1989) of eight entrepreneurial firms in the textile industry in North Carolina.

Results and Implications

Most entrepreneurs begin their ventures with very limited resources (Aldrich, 1999). Recent strands of research have explored forms and patterns of entrepreneurial resourcefulness in dealing with resource constraints. Bricolage, one form of such resourcefulness – defined as making do by applying combinations of the resources at hand to new challenges – has generated promising early research in a variety of contexts (Baker & Nelson, 2005; Garud & Karnoe, 2003). Most work has focused on material or ideational bricolage, with some newer work beginning to examine human capital bricolage.

Research has suggested organization performance is tied in complex ways to access to resources (Mishina, Pollock & Porac, 2004), with evidence in support of Penrose’s (1959) observation that the manner in which managers utilize resources affects the firm’s stock of resources and their effective value to the firm’s competitive performance (Wiklund & Shepherd, 2003). In particular, a body of research has explored relations between levels of resource slack and firm performance (George, 2005; Cyert & March, 1963).

We explored entrepreneurial resourcefulness in the US textile industry by examining how entrepreneurs responded to variations in the levels of various sorts of resource slack and constraint. The textile industry is a particularly appropriate context for studying resourcefulness because it has experienced two distinctly different shocks in recent years: competition challenges from low wage nations and rapid increases in technology creating opportunities to compete in new ways. We discovered substantial evidence of each previously identified forms of bricolage, as well as other forms of entrepreneurial resourcefulness not anticipated by prior theoretical research. In particular, our results suggest that skillful use and manipulation of what Cyert and March called “side-payments” may play a key role in the ability of resource-constrained entrepreneurs to survive or even prosper. In addition, we observed strong variations in sophistication and patterns of redeployment of what has been called “absorbed” or “low discretion” slack (George, 2005). These findings have important theoretical implications for our understanding of the construction of both resources and opportunities as well as for the nature of social exchange and market and technological innovation in young firms.

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